NV SUMATRA TOBACCO TRADING CO

v.

PT SAMPOERNA JL SDN BHD

HIGH COURT MALAYA, KUALA LUMPUR
HAIDAR MOHD NOOR J
[ORIGINATING SUMMONS NO: D5-24-375-96]
3 MARCH 1997

CIVIL PROCEDURE: *Parties - Intervention - Principles applicable - Order 15 r. 6 of the Rules of the High Court 1980 - Sections 45 and 46 of the Trade Marks Act 1976 - Inherent jurisdiction of Court*

CIVIL PROCEDURE: *Functus officio - Ex parte orders - Whether Court can review own ex parte order after perfection*

CIVIL PROCEDURE: *Affidavits - Contents - Contents not within personal knowledge of deponent - Rules of the High Court 1980, O. 41 r. 6 - Consequences*

TRADEMARKS: *Infringement of - Intervention - Principles applicable - Sections 45 and 46 of the Trademarks Act 1976 - Inherent jurisdiction of Court*

The applicant, an Indonesian company, was a manufacturer and exporter of cigarettes and was the registered proprietor in Malaysia of trade mark no 87/03950 in respect of the mark "JET" in block letters and the device of a lion head with wings all in gold on a white background (the 'trademark, getup and packaging'). The applicant had recently discovered that the intervener/proposed respondent was manufacturing cigarettes with a trademark, getup and packaging similar to that of the applicant.

The applicant thereafter applied for and obtained a trade description order ('TDO') against the intervener/proposed respondent and any other person on the basis that the use of the trademark, getup and packaging was a false trade description.

Pursuant to the TDO the intervener/proposed respondent's premises in Ipoh was raided and the factory and warehouse sealed. The intervener/proposed respondent then filed a summons in chambers seeking *inter alia* orders that leave be granted to the intervener to be joined as respondent in this case and that the TDO be set aside. The intervener contended that the TDO could not be obtained *ex parte* against an identified manufacturer and that there had been failure to disclose material facts.

Held:

[1] The intervener/proposed respondent could rightly apply to intervene in these proceedings and be made a respondent.

[2] The applicant had the right to obtain the order *ex parte*. In the circumstances the facts allegedly not disclosed were not material facts.

[Application to set aside dismissed.]

Cases referred to:

Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1989] 2 MLJ 300 ***(foll)***
Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 MLJ 63 ***(foll)***
Re Appollinaris Company Ltd [1891] 8 RPC 137 ***(refd)***
Pinto v. Badman [1891] 8 RPC 181 ***(refd)***
Tai Muk Kwai & Ors v. Luen Hup Medical Co [1988] 3 MLJ 69 ***(refd)***
Hong Leong Finance Bhd v. Steghorn Sdn Bhd [1995] 3 CLJ 368 ***(dist)***
Socoil Corporation Bhd v. Ng Foo Chong & Anor [1981] 2 MLJ ***(foll)***
Muniandy Thamba Kaundan & Anor v. Development & Commercial Bank Bhd & Anor [1996] 2 CLJ 586 ***(foll)***
Scotch Leasing Sdn Bhd v. Chee Pok Choy & Ors; Civil Appeal No: 02-41-94 ***(refd)***
Graig v. Kanseen [1943] 1 All ER 108 ***(refd)***
Loo Chay Meng v. Ong Cheng Hue [1990] 1 MLJ 445 ***(foll)***
Ex parte Princess Edmond de Polignac [1917] 1 KB 509 ***(foll)***
Tuan Haji Sarip Hamid & Anor v. Patco Malaysia Bhd [1995] 3 CLJ 632 ***(foll)***
Re JL Young Manufacturing Company Ltd [1900] 2 Ch D 753 ***(refd)***
MUI Bank Bhd v. Alkner Investments Pte Ltd [1990] 3 MLJ 385 ***(refd)***
Kassim Sulong & Anor v. Guthrie Estates Holdings Ltd & Ors [1993] 3 MLJ 303 ***(refd)***
Palaniappa Chettiar v. Tan Jan & Anor [1965] 31 MLJ 182 ***(refd)***
Pakai Industries Bhd v. Chen Yew Industries Sdn Bhd [1991] 2 CLJ 1574 ***(foll)***

Legislation referred to:

Trade Description Act 1972, ss. 3, 16(1), (3), (5), 18
Rules of the High Court 1980, O. 15 r. 6, O. 41 rr. 1(7), 5(1), 6, 9, 10(2), O. 81 r. 9, O. 91 r. 1, O. 92 rr. 1, 4
Trade Marks Act 1976, ss. 25(1), 38(4), 45, 46

For the applicant - Dato' VL Kandan (Karen Abraham & Deborah Menon with him); M/s Shearn Delamore & Co
For the intevener/proposed respondent - Dr CV Das (Michael Soo with him); M/s Shook Lin & Bok

JUDGMENT

Haidar Mohd Noor J:

PT Sampoerna JL Sdn. Bhd. (the intervener/proposed respondent) filed a summons-in-chambers in this originating summons on 17 December 1996 (Encl. 9) for the following orders:

(1) that leave of this Honourable Court be granted to the intervener to intervene in this action and that the intervener be joined as the respondent to this action;

(2) that Order obtained herein dated 13 November 1996 be set aside;

(3) alternative to prayer (2), that Order dated 13 November 1996 be varied to the effect that PT Sampoerna JL Sdn. Bhd. be permitted to manufacture cigarettes bearing the trade mark "JET" and a lion head device with wings as represented in schedule B to the said Order dated 13 November 1996, for purposes of export;

(4) that the applicant be ordered to pay damages to PT Sampoerna JL Sdn. Bhd. and that an assessment of damages be conducted by the Deputy Registrar;

(5) that the entry of registered trade mark no. 87/03950 for the word "JET" and a lion head device with wings in Class 34 on the Register of Trade Marks be rectified by expunging the said registered trade mark no. 87/03950 and all entries pertaining thereto from the Register of Trade Marks, and the Registrar of Trade Marks, Malaysia, be directed to give full effect to this Order upon being served with a copy hereof;

(6) that the applicant be ordered to pay the costs of this application in any event;

(7) such further and other reliefs as this Honourable Court may deem fit and proper in the circumstances.

The grounds in support of the application are, *inter alia*, that the applicant has wrongfully obtained the Order dated 13 November 1996 and that the registered trade mark no. 87/03950 is an entry wrongfully entered or remaining on the Register of Trade Marks as are more specifically stated in the affidavit of Lim Jit Choong dated 16 December 1996 (Encl. 8) in support thereof and the further affidavits of David Ch'ng Chin Hong (Encl. 12), Lim Jit Choong (Encl. 13), Geetha a/p Thuraisamy (Encl. 14), Lim Jit Choong (Encl. 16) and the affidavit in reply of Lim Jit Choong (Encl. 21).

The applicant, that is, N.V. Sumatra Tobacco Trading Co. ('STTC') opposed the application *vide* the affidavit of Karen Abraham (Encl. 15) and the affidavit of Cik Sintra Sumardi, its Senior Manager (Encl. 17).

Ex Parte Order Dated 13 November 1996 Obtained Vide Encl 1 (As Amended Vide Encl 6)

STTC, an Indonesian company, says that it manufactures, produces, distributes and sells cigarettes worldwide using a distinctive trade mark, get up and packaging, namely the mark "JET" in block letters and the device of a lion head edged with wings all in gold on a white background ("the Trade Mark, Get-Up and Packaging") (see Exh. SS-11 in Encl. 2).

In Malaysia, STTC is the registered proprietor of trade mark no. 87/03950 in respect of the trade mark, get-up and packaging by way of an assignment on 16 July 1996 from one Chan Mew Yew who was the original registered proprietor as at 1 September 1987 (see Exh. PKHP-3 in Encl. 4). The trade mark no. 87/03950 was registered in Class 34 in respect of "tobacco, raw or manufactured, matches, smokers' articles (see Exh. PKHP-1). It has been renewed for a period of 14 years from 1 September 1987 (see Exh. PKHP-2). All the particulars are duly certified by Assistant Registrar of Trade Marks Malaysia pursuant to Trade Marks Act 1976 for use in legal proceedings (see Exh. PKHP-4).

In addition thereto, STTC by way of Exh. SS-4 in Encl. 2 showed that it is the registered proprietor of the trade marks JET, JET label and JET & device (being the mark JET in block letters with the device of a lion head edged with wings) in 23 countries outside Malaysia and STTC has pending applications for these trade marks in another 32 countries outside Malaysia.

By way of Exhs. SS-5 to SS-8 of Encl. 2, STTC claims that as a result of extensive sales, advertising and promotional activities worldwide, including in Malaysia, it has acquired a substantial goodwill and reputation in its business and trade in the cigarettes in connection with which the trade mark, get-up and packaging are used. Hence STTC said that it is entitled to and owns the proprietary right in the reputation and goodwill so acquired for the purpose of its trade and commerce.

Further, STTC claims that the trade mark, get-up and packaging have also become distinctive of STTC in that the trade mark, get-up and Packaging are associated with STTC in the minds of the purchasing public and are particularly denotive of the packs of cigarettes of STTC.

STTC recently discovered that P.T. Sampoerna JL Sdn. Bhd., the intervener/proposed respondent ('SJL'), a Malaysian company, was making for export packs of cigarettes with a trade mark, get-up and packaging identical or highly similar to those produced by STTC. The issue of being identical and similar to STTC's trade mark, get-up and packaging is not disputed (see paras. 12 to 18 of Encl. 8).

In the result, on 28 October 1996 STTC applied, pursuant to s. 16(1) of the Trade Description Act 1972 ('TDA') for an order deeming the use of the trade mark, get-up and packaging of STTC by SJL, or by any other person, firm or company not authorized to export, import, supply, distribute, manufacture, offer for sale, sell or otherwise deal by way of trade in cigarettes of the trade mark, get-up and packaging (collectively referred to "the Trade Mark") as a false trade description. An Order known as Trade Description Order ('TDO') was granted on 13 November 1996 by the High Court.

Pursuant to obtaining the TDO, officers of the Ministry of Domestic Trade and Consumer Affairs, apparently at the instance of STTC, raided SJL's premises at Ipoh on 28 November 1996 and sealed the factory and the warehouse.

In the result SJL filed the present application (Encl. 9).

At the hearing of the application of SJL, it was intimated by Mr. Michael Soo, its Counsel, that SJL would no longer be pursuing the objection raised as in Encl. 8 at para. 9 thereof that the affidavit of Sintra Sumardi (Encl. 2) in support of the *ex parte* application of STTC is defective and irregular as it was allegedly affirmed before the commencement of the action. In that case I need not consider Dato' Kandan's submission on this point at para. 9 of his written submission and Sintra Sumardi's affidavit will therefore be taken as in order and admitted.

From the application of SJL and the affidavits in support thereof and the affidavits of STTC opposing the application of SJL, there are two issues that need to be addressed and considered by the Court, namely:

(1) Can SJL intervene in these proceedings?

(2) If so, can the Court set aside the TDO and consequently grant the other prayers of SJL?

(1) Can SJL Intervene In These Proceedings?

According to SJL's Counsel, the application to intervene by SJL is made pursuant to O. 15 r. 6 of the Rules of the High Court 1980 ('RHC') and ss. 45 and 46 of the Trade Marks Act 1976 ('TMA').

I do not think Dato' Kandan can seriously dispute that the TDO has affected the alleged interests of SJL by STTC obtaining it without SJL being given the opportunity of being heard. It is not disputed that the TDO is an *ex parte* order. To prevent injustice being done it would appear that the Court should allow a person whose interests will be affected by the order, an opportunity of being heard. (See *Tohtonku Sdn. Bhd. v. Superace (M) Sdn. Bhd.* [1989] 2 MLJ 300). Interests must, however, be considered in the light of 'legal interests' as opposed to "commercial interests" as the test in determining whether a party may be added as an intervener (*Tohtonku Sdn. Bhd. v. Superace (M) Sdn. Bhd.* [1992] 2 MLJ 63).

SJL contended further that it comes within the meaning of the person aggrieved under ss. 45 and 46 of TMA and quoted *Re Appollinaris Company Ltd.* [1891] 8 RPC 137 where at p. 162 Fry LJ observed:

> In our opinion, when one trader uses the fact of registration as any part of his case against another trader in any legal proceedings, that second trader is aggrieved, and this is not the less so because that trader may have other means of defending himself. If the owner of the registered trade mark says to a defenant in a litigation, "I am the owner of this registered trade mark, and therefore you are doing me a wrong," **the person attacked ought to be at liberty to reply two things: first, "You ought not to be on the register,"** and, secondly, **"Even if you ought, I have done you no wrong."** (emphasis added)

In this case SJL said that STTC ought not to be on the register as it obtained the right to the Trade Mark by assignment from one Chan Mew Yew and therefore it is not the originator of the Trade Mark. It is settled law that the assignee of a trade mark takes his rights from the assignor and cannot claim to have any greater rights than what the assignor had (see *Pinto v. Badman* [1891] 8 RPC 181 and *Tai Muk Kwai & Ors. v. Luen Hup Medical Company* [1988] 3 MLJ 69) SJL questioned whether Chan Mew Yew could in the first place have rightfully obtained registration of the Trade Mark in his name under s. 25(1) of TMA as a person "claiming to be the proprietor of a trade mark". SJL contended that M/s. Thai Boon Roong Co. Ltd. ('TBR') is a key person as the original distributor of JET cigarettes and the originator of the trade mark device and that TBR appointed SJL as the non-exclusive contract manufacturer of the JET cigarettes for export outside Malaysia and the right to use the mark by letter dated 18 October 1994 (see Exh. LJC-6 to Encl. 8).

Be that as it may, Dato' Kandan contended that under O. 15 r. 6 of RHC, the Court will first have to determine whether there are any 'proceedings in existence' in the *ex parte* originating summons of 17 December 1996 when the summons in chambers of SJL seeking intervention was filed. He relied on the Court of Appeal case of *Hong Leong Finance Bhd. v. Steghorn Sdn.*

Bhd. [1995] 3 CLJ 368 where O. 15 r. 6 of RHC was considered. However, it is to be noted that *Hong Leong Finance Bhd's* case relates to foreclosure action which was an *inter partes* action and hence was an *inter partes* order. We are here dealing with an *ex parte* order and I am of the view that *Hong Leong Finance Bhd's* case in the circumstances would not be applicable to this case. In any event, there is no evidence that the Minister has taken action under s. 16(5) of TDA.

In an application for TDO, the TDA does not specify whether it should be made *ex parte* or *inter partes*. The Federal Court in *Socoil Corportion Bhd. v. Ng Foo Chong & Anor.* [1981] 2 MLJ at p. 8 said:

> Further, neither s. 16 nor any other section requires the hearing to be *inter partes*. Of course, the Court may, in the exercise of their inherent jurisdiction, direct the papers to be served on an interested or affected party.

In this case considering that SJL had been positively identified by STTC, ideally perhaps the papers should be served on SJL. However, if it is proceeded *ex parte*, does it mean that STTC proceeded wrongly? In my view it is a matter entirely within the discretion of the Court as stated, obiter, by the Federal Court in *Socoil's* case, *supra*, whether the papers should be served on an interested or affected party.

The learned Judicial Commissioner in granting the TDO without the necessity of first directing that the papers be served on SJL (though it was positively identified in the *ex parte* application) could possibly be due to STTC having satisfied the requirements of s. 16 of TDA, namely:

(a) STTC is the registered proprietor of the Trade Mark, and

(b) that SJL or some other person is infringing the Trade Mark in the course of trade.

(See *Socoil's* case, *supra*, at p. 8)

Dato' Kandan, contended that the *ex parte* order had been perfected and therefore the Court is *functus officio*. The issue of whether the Court can review an *ex parte* order was considered by Wan Adnan J (as he then was) in *Tohtonku's* case where he stated, *inter alia* at p. 300:

> In the Supreme Court case of *Socoil Corporation Bhd. v. Ng Foo Chong & Anor.* [1981] 2 MLJ, the position was the same as in the present case. An *ex parte* order was made under s. 16 of the Trade Description Act 1972. An application to discharge the order was entertained. No objection was raised in that case and therefore the case cannot be regarded as an authority that the Court can review its own *ex parte* order made under s. 16 of the Trade

> Description Act after it had been perfected. Nevertheless it does give some guidance. **I am of the view that the Court can review the *ex parte* order.** (emphasis added)

I am inclined to accept the view of Wan Adnan J (as he then was) that the Court can review its own *ex parte* order even if it had been perfected. In this respect, the Supreme Court's case of *Muniandy a/l Thamba Kaundan & Anor. v. Development & Commercial Bank Bhd. & Anor.* [1996] 1 AMR 908 would seem to support the view that the Court can review its own *ex parte* order even if perfected and it is not *functus officio* if there has been a breach of the rule of natural justice, that is, an affected party is deprived of the opportunity of being heard – *audi alteram partem.* In this case the TDO is an *ex parte* order and hence SJL, the affected party, should be allowed the opportunity to intervene and be made a party, that is, respondent so that it can be heard by the Court as to whether the Court should review the TDO granted to STTC. *Muniandy's* case, *supra,* was considered and cited with approval by the Federal Court recently in *Scotch Leasing Sdn. Bhd. (Dalam Penerimaan) v. Chee Pok Choy & 4 Ors.* in Civil Appeal No: 02-41-94 (unreported) delivered on 14 December 1996.

In addition thereto there is the inherent jurisdiction aspect as provided by O. 92 r. 4 which the Court can invoke and I see no reason for not invoking it. Order 92 r. 4 reads:

> For removal of doubts it is hereby declared that nothing in these rules shall be deemed to limit or affect the inherent powers of the Court to make any order as may be necessary to prevent injustice or to prevent an abuse of the process of the Court.

In the circumstances I would accordingly make an order that SJL be allowed to intervene and be made a party as the respondent.

Having ruled that SJL can rightly intervene in these proceedings and be made a respondent, I will then have to consider the second issue.

(2) Can The Court Set Aside The Ex Parte Order (TDO) And Consequently Grant The Other Prayers?

SLJ relied on two grounds:

(a) Can a TDO against an identified manufacturer be obtained *ex parte*?

(b) Failure to make full disclosure of material facts.

(a) Can A TDO Against An Identified Manufacturer Be Obtained Ex Parte?

It is not disputed that at the time of the *ex parte* application of STTC, SJL was identified as the alleged manufacturer and exporter as can be seen at para. 12 of Encl. 21 where the material facts read:

> I have recently discovered that there are available for export from Malaysia packs of cigarettes identified and/or highly similar to those produced by the applicant with the trade mark JET in block letters and the device of a lion head edged with wings ... I verily believe that these offending packs of cigarettes are exported by PT Sampoerna JL Sdn. Bhd. of 71 Jalan SS25/2, Taman Bukit Gasing, 47301 Petaling Jaya of 4, Lahat Lane, 30200 Ipoh, Perak.

Dato' Kandan contended that the application for the TDO was not solely targetted at SJL but others as well. I agree that such contention may be true as reflected in Encl. 1 but it is really principally targetted at SJL and 'the others' is merely to cover other persons who may infringe the Trade Mark in the course of trade.

Be that as it may, Dr. Das submitted that where a trader claims that a known rival or some other trader is infringing his mark or passing off his product the usual procedure is to commence an infringement action under s. 38 of TMA and for appropriate injunction orders. In that event, according to Dr. Das, the alleged infringer could be heard *inter partes* to have the question of whether there is in truth an infringement determined and that question ought not to be decided *ex parte.*

It may well be that by s. 16(3) of TDA, the TDO is conclusive proof of a false trade description and by ss. 3 and 18 of TDA, SJL could be fined up to RM250,000 on first conviction and RM500,000 for a subsequent conviction. Therefore Dr. Das claims that the Court should not declare or proclaim criminal conduct on the part of a known person without first hearing him or giving him an opportunity to be heard. He relied on the basic contexts of justice and fair play and cited the case of *Craig v. Kanseen* [1943] 1 All ER 108 where Lord Greene MR observed at p. 113:

> Apart from proper *ex parte* proceedings, the idea that an order can validly be made against a man who has had no notification of any intention to apply for it is one which has never been adopted in England. To say that an order of that kind is to be treated as a mere irregularity and not something which is affected by a fundamental vice, is an argument which in my opinion cannot be sustained.

In an application for TDO, it is not prescribed that a party should proceed *inter partes*. At the end of the day, in a matter involving infringement of trade mark, in my view, it is open to a party to invoke either the provisions of

TDA or TMA depending on the circumstances and the situation of a particular case. In an application under s. 16 of TDA a party can elect to proceed *ex parte* or *inter partes* though the overriding power is vested with the Court to direct papers be served on an interested or affected party (see Federal Court case of *Socoil Corporation Bhd. v. Ng Foo Chong*, *supra*).

If a party elects to proceed *ex parte* and thereby obtained an *ex parte* order, then in my view, the party cannot come to the Court and object to the affected party intervening and praying for the setting aside of the *ex parte* order obtained in the absence of the interested or affected party. The Court has the power to set aside an *ex parte* order (see *Loo Chay Meng v. Ong Cheng Hue (Gamuda Sdn. Bhd. Garnishee)* [1990] 1 MLJ 445. As the TDO has penal effect, there is the more reason for the affected party to be given the opportunity or right to intervene and defend itself. Whether the party succeeds or not eventually, is a different matter altogether.

Therefore, with respect, I do not agree that, as a matter of law, the application should be made *inter partes*. In any event TDA does not prescribe that an application under s. 16 should be *inter partes*. As I said earlier it is entirely up to the party to proceed either under the TDA or TMA as the case may be, and my observation from the line of reported cases, in an application under TDA, it is proceeded *ex parte* whereas if it is an action under TMA, it is proceeded *inter partes*.

In the circumstances to say that the *ex parte* order is bad in law as it should be obtained *inter partes* and should be set aside cannot, with respect, be sustained. The rights of the affected party are preserved in that it can apply to set aside the *ex parte* order and prays for consequential orders.

SJL fails on this ground.

(b) Failure To Make Full Disclosure Of Material Facts

I agree that the rule to make full disclosure in obtaining an *ex parte* order from the Court is well entrenched. In this respect Warrington CJ said in *Ex parte Princess Edmond de Polignac* [1917] 1 KB at p. 509:

> It is perfectly well settled that a person who makes an *ex parte* application to the Court – that is to say, in the absence of the person who will be affected by that which the Court is asked to do – is under an obligation to the Court to make the fullest possible disclosure of all material facts within his knowledge, and if he does not make that fullest possible disclosure, then he cannot obtain any advantage he may have already obtained by reasons of an order which has thus wrongly been obtained by him. That is perfectly plain and requires no authority to justify it.

It seems clear therefore that failure to disclose material facts within his or its knowledge in an *ex parte* application by a party will result in the Court setting aside the *ex parte* order obtained. (See *Tuan Haji Sarip Hamid & Anor. v. Patco Malaysia Bhd.* [1995] 3 CLJ at p. 632.)

According to Dr. Das, STTC failed to disclose the following material facts which were within its knowledge at the time the *ex parte* application was filed for the TDO:

(i) M/s Thai Boon Roong Co. Ltd. of Hongkong ('TBR') is the originator and rightful proprietor of the trade mark and it has been using the trade mark since 1983 before STTC was appointed as its contract manufacturer in 1984 (see Exh. LJC-13 in Encl. 13).

(ii) STTC is not entitled to assert ownership rights to the trade mark as a contract manufacturer of TBR and this fact was acknowledged by STTC as recently as in late 1995 (see TB-II in Exh. LJC-13 of Encl. 13).

(iii) STTC has, in recognition of TBR as the owner of the trade mark and principal for the JET cigarettes, paid TBR a sum of US3 million as compensation for unauthorised packagings in November 1995 (see TB-10 in Exh. LJC-13 Encl. 13).

(iv) SJL has been appointed as one of the contract manufacturers for the JET cigarettes by TBR (see TB-14 in Exh. LJC-13 in Encl. 13).

(v) STTC's alleged ownership in the trade mark will be challenged by TBR (see TB-11 in Exh. LJC-13 in Encl. 13).

In considering the material facts issue, Dato' Kandan submitted that the Court should first consider whether the application of SJL is interlocutory or otherwise as O. 41 r. 5(1) of RHC will be relevant.

Looking at the nature of the prayers of the application of SJL, I am of the view that the said application is not interlocutory in nature as it is to determine the rights of the parties. I will then have to consider O. 41 r. 5(1) which reads:

> Subject to O. 14 rr. 2(2) and 4(2), to para. (2) of this rule and to any order made under O. 38 r. 3, an affidavit may contain only such facts as the deponent is able of his own knowledge to prove.

Dato' Kandan contended that paras. 13, 16, 32, 33, 34 and 41 of the affidavit of Lim Jit Choong, (Encl. 8) should be struck out under O. 41 r. 6. For convenience I reproduce the said paragraphs as hereunder:

Paragraph 13

TBR's representatives informed SJL that TBR is the owner of the JET trade mark and/or a lion head device with wings for cigarettes and tobacco products in a number of countries including Cambodia, Singapore, and Hongkong. SJL was given copies of certificates of registration for the JET trade mark and/or a lion head device with wings for, *inter alia,* cigarettes in Cambodia, Singapore and Hongkong.

Paragraph 16

At that time, there was no cigarettes bearing the JET trade mark or a lion head device with wings available for sale or have ever been advertised or promoted in Malaysia. To the best of my knowledge and based on information I have received from the relevant people in the cigarette and tobacco trade and industry, I verily believe that cigarettes bearing the JET trade mark and/or a lion head device with wings have not been sold in the normal and ordinary distribution channel in Malaysia.

Paragraph 32

I am informed by the responsible officers of TBR and verily believe that TBR is the lawful and rightful owner of the JET trade mark and a lion head device with wings (hereinafter collectively referred to as "the JET trade mark") in respect of cigarettes in a number of countries including Indonesia and Malaysia.

Paragraph 33

I am informed by the responsible officers of TBR and verily believe that STTC was TBR's contract manufacturer/supplier of JET cigarettes for a number of years. Therefore, I am advised by the solicitors for SJL that STTC as the contract manufacturer cannot in law and in fact assert any ownership rights to the JET trade mark.

Paragraph 34

I am informed and verily believe that TBR has instituted legal proceedings against STTC claiming ownership to the JET trade mark in the Supreme Court of Hong Kong.

Paragraph 41

I categorically deny any allegation or suggestion by STTC to the effect that SJL was involved in any trade mark infringement or passing-off as alleged (which is denied). I am informed by the responsible officers of TBR and verily believe that TBR is the originator of and is entitled to

use the words "WILSON TOBACCO CO. LTD, LONDON" on the JET cigarettes packaging and STTC has knowledge of this. All JET cigarette packaging materials were provided as per the instructions of TBR.

Dato' Kandan contended that paras. 13, 16, 32, 33, 34 and 41 contain averments made by Lim Jit Choong which are not within his personal knowledge and these averments constitute inadmissible evidence and accordingly should be struck out under O. 41 r. 6 of RHC. He cited the following cases in support thereof.

(1) In *Re J.L. Young Manufacturing Company Ltd.* [1900] 2 Ch. D 753.

(2) *Mui Bank Bhd. v. Alkner Investments Pte. Ltd.* [1990] 3 MLJ 385.

(3) *Kassim bin Sulong & Anor. v. Guthrie Estates Holdings Ltd. & Ors.* [1993] 3 MLJ 303.

Order 41 r. 6 reads:

> The Court may order to be struck out of any affidavit any matter which is scandalous, irrelevant or otherwise oppressive.

An examination of the averments of Lim Jit Choong in the paragraphs stated above would seem to show that they are not within his personal knowledge and following the cases cited, I am inclined to agree that these paragraphs should be struck out as contravening O. 41 r. 5(1) of RHC and I do so order accordingly.

Dato' Kandan then next proceeded on the issue of the Exh. LJC-13 to Encl. 13, purporting to be an affidavit affirmed by one Teng Boonma in Hongkong and submitted that LJC-13 should be disregarded on the following grounds:

(a) The document is not an "affidavit" within the meaning of RHC and accordingly should not be treated as such:

(i) The document has not been filed in accordance with O. 41 r. 9 of RHC.

(ii) The document has not been stamped with the appropriate fee in accordance with O. 41 r. 10(2) of RHC.

(iii) The document is not in Bahasa Malaysia in accordance with O. 91 r. 1 of RHC.

(b) Lim Jit Choong has not stated that he believes in and/or adopts the contents of 'LJC-13' as his own evidence. In the circumstances LJC-13 has no evidential value.

I suppose to overcome the difficulties posed by Dato' Kandan on behalf of STTC, SJL apparently got Geetha d/o Thuraisamy, a qualified translator in the employment of M/s Shook Lin & Bok, the solicitors acting for SJL, to file an affidavit enclosing a copy of the translated text of LJC-13 in Bahasa Malaysia and marked as Exh. GT-2.

Dato' Kandan submitted that "GT-2" cannot be accepted as the affidavit for the following reasons.

(a) GT-2 has not been signed by Teng Boonma in accordance with O. 41 r. 1(7) of the RHC.

(b) GT-2 has not been filed in accordance with O. 41 r. 9 of the RHC.

(c) GT-2 has not been stamped with the appropriate fee in accordance with O. 41 r. 10(2) of the RHC.

The affidavit of Teng Boonma was deposed in English and sworn before the proper officer of the Malaysian High Commission in Hongkong. Ordinarily the affidavit could be admitted except that it is caught by O. 92 r. 1 of RHC which requires any document required for use in pursuance of RHC shall be in the National Language and may be accompanied by a translation thereof in the English language. Only documents to be used as exhibits may be in the English language **with or without** a translation thereof in the National Language.

Perhaps to overcome O. 92 r. 1, SJL proceeded to file the affidavit in English by way of an exhibit, that is, LJC 13. In that event if LJC 13 is to be an exhibit, then I see no necessity of having it translated into the National Language as it can be used as an exhibit though in English with or without a translation thereof in the National Language by virtue of the proviso to O. 92 r. 1 of RHC.

Dr. Das submitted that exhibits to an affidavit formed part of an affidavit as if they had been copied out in the affidavit (see *Palaniappa Chettiar v. Tan Jan & Anor*. [1965] 31 MLJ 182). However, the issue here is whether 'affidavits' can be considered as 'documents' annexed to an affidavit. I should think so, given the wide meaning to the word 'document' in the Evidence Act 1950.

In the circumstances, I do not agree that Exh. LJC 13 should be disregarded as contended by Dato' Kandan and would rule that it can be considered by the Court.

The material facts that should be disclosed by STTC in its *ex parte* application as contended by Dr. Das, in my view, are not material facts if one examines them and tested them against the facts that are required to be disclosed in an application for TDO as provided by s. 16 of TDA.

In the circumstances I am of the view that SJL fails on this ground also.

In view of my finding, the application of SJL to set aside the TDO is hereby dismissed.

In regard to the prayer for a variation of the TDO to allow SJL to export JET cigarettes, the answer is still a 'no' as the Trade Mark in Malaysia belongs to STTC and not to SJL nor to TBR (see *Pakai Industries Bhd. v. Chen Yew Industries Sdn. Bhd.* [1991] 2 CLJ 1574). Use of Trade Mark by SJL for export will be an infringement as making of cigarettes for export is 'use' within the meaning of s. 38(4) of TMA.

I will accordingly dismiss the application of SJL with costs.

By way of postscript SJL has no legal standing to challenge the TDO as it is merely a contract manufacturer of TBR. If at all there is a right to challenge, at most, it would be TBR. Even TBR is not a party here. Going by the grounds relied on by SJL, they do not fit in with the scheme of TDA but more appropriately perhaps under the scheme of TMA read with O. 81 r. 9 of RHC especially in respect of rectification and non-use of trade mark where ss. 45 and 46 of TMA would be relevant and applicable.

Reported by Pushpa Nair